

**MINUTES OF THE
BOARD OF BUSINESS AND ECONOMIC DEVELOPMENT
May 7, 2004 Meeting**

Members Present: David Simmons, Barbara Zimonja, Jerry Oldroyd, Bill Boyle; *Dell Loy Hansen, Karen Alvey, Ted Smith, Mark Howell, Richard Nelson, (via telephone)*

Members Absent: Joel Bradford, Kenneth Woolley, Cliff White, Ed Ekstrom, Debra Tanzi, and Jane Shock

Visitors: Jerrold Jensen, Attorney General Office; Brad Baird, EDCU; Neal Wilson, Zions Bank; Douglas Talbot, Layton Construction; Glen Warchol, Salt Lake Tribune; Brice Wallace, Deseret News; Stephanie Frohman, EDCU; David Smart, UMA; Brad Halladay, BD Medical; Lloyd McCaffrey, Williams International

Staff: Dave Harmer, Marian Hein, Carey Wold, Tracie Cayford, Tamee Roberts, Todd Hauber, Lisa Howe, Mark Renda, Kelly Day, Ron Richins, Connie Gates

Welcome

Chairman Simmons welcomed and thanked everyone for their attendance of this special meeting of the DBED Board. Chairman Simmons welcomed Connie Gates as Kelly Day's replacement and announced Kelly's new appointment with DBED. He thanked her for outstanding past performance. He turned the meeting over to Barbara Zimonja to proceed with items related to the Industrial Assistance Fund. Jeff Gochnour clarified that the first item was not under the Industrial Assistance Fund, rather HB316.

Williams International

Barbara proposed the following motion:

MOTION: Approve for Williams International a rebate of new incremental state revenues on a post-performance basis over 20 years according the following schedule of percentage rebate allowable for each of the 20 years:

Year	1	2	3	4	5	6	7	8	9	10
Rebate Percentage	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%
Year	11	12	13	14	15	16	17	18	19	20
Rebate Percentage	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%

The rebate period begins January 2004 and applies to the incremental state taxes above the 2003 baseline. The schedule of percentage rebates includes the specific aviation related projects identified in the application and anticipates additional growth in production resulting from the introduction of new jet engine product lines over the life of the 20 year incentive. The 20-year duration of the incentive and the level of rebate percentage is contingent upon the establishment of a long-term relationship between Williams International and the State of Utah including the identification of Utah as the company's preferred production location for aviation products. Should the company elect to establish aviation production capacity outside of Utah during the first 10 years of the relationship without first obtaining Board approval for reasonable exceptions, the term of the rebate will automatically truncate to 10 years and the rebate percentage will reduce to 15 percent per year for the remainder of the truncated rebate period. Should the company elect to establish aviation production capacity outside of Utah after the first 10 years of the relationship without first obtaining Board approval for reasonable exceptions, the term of

the rebate will automatically terminate at the conclusion of that year and the rebate percentage will reduce to 20 percent for that final year. The company agrees to relinquish the existing IAF commitment and contract as of the most recent disbursement period ending September 2003. Dell Loy Hansen moved; Jerry Oldroyd seconded; motion carried.

Lloyd McCaffrey from Williams International was acknowledged thanked for his attendance.

BD Medical

Mike Halladay from BD Medical was acknowledged as present in the meeting. Barbara read the proposed motion as follows:

MOTION: Approve for BD Medical \$3,000 per new employee position with a salary between 125% and 200% of the Salt Lake County Median, and \$4,000 per new employee position with a salary above 200% of the Salt Lake County Median for a maximum incentive of \$1,008,000 on a post performance basis for 325 new full-time employee positions over five years. The company must commit to keep operations in Utah for five years. Barbara moved and Bill Boyle seconded the motion; motion carried.

Background was given by Barbara about BD Medical is quite similar to that of Cephalon with the exception that they already have a building. Utah is competing with another state that may have a larger incentive than us. We are hearing from BD that this cost savings as well as the workforce in Utah will certainly make Utah competitive. This is a medical technology company that does research technology and clinical laboratories. BD Currently employs 1200 people at their Sandy facility.

Barbara reported that Mark Renda distributed a press release of a company called Working RX which was presented to this board last summer under the name project Phoenix. Mark reported they are now public and thanked the Board for this incentive, which helped create 440 new jobs at the Working RX facility.

The fourth agenda item, which is economic opportunities as it relates to film incentives was put on hold until the May 21st meeting. The IAF committee had a very good discussion and has given tentative approval to present the film incentives proposal to the DBED Board contingent upon the meeting of the legislative task force. The desire is to ensure a discussion be held with the legislative task force to make certain all are in agreement.

With no other items to present, Chairman Simmons adjourned the meeting at 2:10 p.m.